AMENDMENTS TO THE CLAIMS:

Without prejudice, this listing of the claims replaces all prior versions and listings of the claims in the present application:

LISTING OF CLAIMS:

1. (Currently Amended) A lottery terminal capable of canceling an unplayed uniquely numbered lottery ticket having a control number and an area with thermally reactive coating material disposed thereon, the terminal comprising:

a microprocessor for controlling the operation of the terminal; imaging means for imaging the unplayed lottery ticket; memory means for storing data pertinent to the unplayed lottery ticket; and an automated lottery ticket cancellation device including means for receiving the unplayed lottery ticket therein and a thermal device for generating heat, the thermal device of the cancellation device automatically permanently marking the unplayed lottery ticket when the unplayed lottery ticket is received by the terminal for cancellation, at the area when positioned adjacent the thermal device prior to the imaging means imaging the unplayed lottery ticket.

2. (Currently Amended) A system for canceling an unplayed uniquely numbered lottery ticket comprising:

an unplayed lottery ticket having a control number and an area with thermally reactive coating material disposed thereon; and

a terminal having a microprocessor for controlling the operation of the terminal, imaging means for imaging the unplayed lottery ticket, memory means for storing data pertinent to the unplayed lottery ticket, and an automated lottery ticket cancellation device including means for receiving the unplayed lottery ticket therein and a thermal device for generating heat, the thermal device of the cancellation device automatically permanently marking the unplayed lottery ticket when the unplayed lottery ticket is received by the terminal for cancellation, at the area when positioned adjacent the thermal device prior to the imaging means imaging the unplayed lottery ticket

3. (Currently Amended) A process for canceling an unplayed uniquely numbered ticket having a control number and an area with thermally reactive coating material disposed thereon, the process comprising the steps of:

inserting the unplayed lottery ticket into a lottery terminal having means for receiving the unplayed lottery ticket therein;

while the unplayed lottery ticket is inserted in the terminal, automatically activating the thermally reactive coating material of the unplayed lottery ticket for permanently marking the unplayed lottery ticket;

while the unplayed lottery ticket is inserted in the terminal, following the activating step, imaging the unplayed lottery ticket for detecting the activated thermally reactive coating material and for reading the control number of the unplayed lottery ticket; and

recording the control number.

4. (Currently Amended) A lottery terminal capable of canceling an unplayed uniquely numbered lottery ticket having a control number and an area with chemically reactive coating material disposed thereon, the terminal comprising:

a microprocessor for controlling the operation of the terminal;

imaging means for imaging the unplayed lottery ticket when the unplayed lottery ticket is received by the terminal for cancellation;

memory means for storing data pertinent to the unplayed lottery ticket; and an automated lottery ticket cancellation device including means for receiving the unplayed lottery ticket therein and a radiant energy source for generating radiant energy, the radiant energy source of the cancellation device automatically permanently marking the unplayed lottery ticket when the unplayed lottery ticket is received by the terminal for cancellation, at the area when positioned adjacent the radiant energy source prior to the imaging means imaging.

5. (Currently Amended) A process for canceling an unplayed uniquely numbered ticket having a control number and an area with chemically reactive coating material disposed thereon, the process comprising the steps of comprising:

inserting the unplayed lottery ticket into a lottery terminal having means for

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receiving the unplayed lottery ticket therein;

while the unplayed lottery ticket is inserted in the terminal, automatically activating the chemically reactive coating material of the lottery ticket for permanently marking the unplayed lottery ticket;

while the unplayed lottery ticket is inserted in the terminal, following the activating step, imaging the unplayed lottery ticket for detecting the activated chemically reactive coating material and for reading the control number of the lottery ticket; and recording the control number.

6. (Currently Amended) A lottery terminal configured for canceling an unplayed lottery ticket having a reactive area, comprising:

a controller;

an imaging device in communication with the controller, the imaging device configured to image the unplayed lottery ticket;

a memory in communication with the controller and configured to store data pertinent to the unplayed lottery ticket; and

an automated lottery ticket cancellation device in communication with the controller and configured to receive the unplayed lottery ticket and <u>automatically</u> permanently mark the area prior to imaging the unplayed lottery ticket <u>when the unplayed lottery ticket</u> is received by the terminal for cancellation.

7. (Currently Amended) The lottery terminal configured for canceling an unplayed lottery ticket having a reactive area of claim 6, wherein:

the reactive area is a thermally reactive coating material disposed on the lottery ticket and the automated lottery ticket cancellation device includes a thermal device for generating heat and configured to <u>automatically</u> permanently mark the area when the unplayed lottery ticket is positioned adjacent the thermal device.

8. (Currently Amended) The lottery terminal configured for canceling an unplayed lottery ticket having a reactive area of claim 6, wherein:

the reactive area is a chemically reactive coating material disposed on the lottery ticket and the automated lottery ticket cancellation device includes a radiant

energy source configured to generate radiant energy and to <u>automatically</u> permanently mark the area when the unplayed lottery ticket is positioned adjacent the radiant energy device.

9. (Currently Amended) The lottery terminal configured for canceling an unplayed lottery ticket having a reactive area of claim 6, wherein:

the reactive area is a chemically reactive coating material disposed on the lottery ticket and the automated lottery ticket cancellation device includes a chemical application device configured to apply a chemical to the reactive area and to automatically permanently mark the area when the unplayed lottery ticket is positioned adjacent the radiant energy device.

10. (Previously Presented) The lottery terminal configured for canceling an unplayed lottery ticket having a reactive area of claim 6, further comprising:

an input device in communication with the controller, the input device configured to receive a request to cancel an unplayed lottery ticket and to communicate the request to the controller.

11. (Previously Presented) The lottery terminal configured for canceling an unplayed lottery ticket having a reactive area of claim 10, wherein

the controller is further configured to activate the cancellation device in response to the request communicated from the input device.

12. (Previously Presented) The lottery terminal configured for canceling an unplayed lottery ticket having a reactive area of claim 6, further comprising:

an output device in communication with the controller, the output device configured to produce an indication that a refund should be provided for a canceled ticket only after the ticket has been permanently marked.

13. (Currently Amended) A method for canceling an unplayed lottery ticket having a reactive area, said method comprising:

receiving the unplayed lottery ticket in a lottery terminal;

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while the unplayed lottery ticket is received in the lottery terminal, automatically permanently marking the unplayed lottery ticket by activating the reactive area; and

while the unplayed lottery ticket is received in the lottery terminal, after the permanent marking, imaging the unplayed lottery ticket.

14. (Currently Amended) The method for canceling an unplayed lottery ticket having a reactive area of claim 13, wherein

the reactive area is a thermally reactive coating material disposed on the

unplayed
lottery ticket and wherein the permanent marking includes heating the reactive area.

15. (Currently Amended) The method for canceling an unplayed lottery ticket having a reactive area of claim 13, wherein

the reactive area is a chemically reactive coating material disposed on the <u>unplayed lottery</u> ticket and wherein the permanent marking includes applying radiant energy to the reactive area.

16. (Previously Presented) The method for canceling an unplayed lottery ticket having a reactive area of claim 13, further comprising:

after permanent marking, recording a control number of the unplayed lottery ticket.

17. (Previously Presented) The method for canceling an unplayed lottery ticket having a reactive area of claim 13, further comprising:

detecting the permanent marking of the reactive area.

18. (Previously Presented) The method for canceling an unplayed lottery ticket having a reactive area of claim 17, further comprising:

after the permanent marking of the reactive area has been detected, generating a message that a refund should be provided for the canceled lottery ticket.

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19. (Previously Presented) The method for canceling an unplayed lottery ticket having a reactive area of claim 17, further comprising:

after the permanent marking of the reactive area has been detected, generating a replacement lottery ticket.

20. (New) A lottery terminal configured for canceling an unplayed lottery ticket having a reactive area, comprising:

a controller;

a ticket receiver in communication with the controller, the ticket receiver configured to receive the unplayed lottery ticket for cancellation; and

an unconditional branding device in communication with the controller, the unconditional branding device configured to automatically cancel the unplayed lottery ticket by permanently branding the reactive area when the unplayed lottery ticket is received for cancellation;

an imaging device in communication with the controller, the imaging device configured to image the unplayed lottery ticket while the unplayed lottery ticket is received for cancellation by the terminal, after the reactive area has been permanently branded.

21. (New) The lottery terminal of claim 20, wherein

the reactive area is a thermally reactive coating material disposed on the unplayed lottery ticket, and

the unconditional branding device includes a thermal device for generating heat and configured to permanently brand the reactive area when the unplayed lottery ticket is positioned adjacent the thermal device.

22. (New) The lottery terminal of claim 20, wherein

the reactive area is a chemically reactive coating material disposed on the unplayed lottery ticket, and

the unconditional branding device includes a radiant energy source configured to generate radiant energy and to permanently brand the reactive area when the unplayed lottery ticket is positioned adjacent the radiant energy device 23. (New) The lottery terminal of claim 20, wherein the reactive area is a chemically reactive coating material disposed on the unplayed lottery ticket, and

the unconditional branding device includes a chemical application device configured to apply a chemical to the reactive area and to permanently brand the reactive area when the unplayed lottery ticket is positioned adjacent the radiant energy device.

- 24. (New) The lottery terminal of claim 20, further comprising:
 an input device in communication with the controller, the input device
 configured to receive a request to cancel the unplayed lottery ticket and to
 communicate the request to the controller.
- 25. (New) The lottery terminal of claim 24, wherein the controller is further configured to activate the cancellation device in response to the request communicated from the input device
- 26. (New) The lottery terminal of claim 20, further comprising:
 an output device in communication with the controller, the output device
 configured to produce an indication that a refund should be provided for the unplayed
 lottery ticket only after the unplayed lottery ticket has been permanently branded.